

October 15, 2006

Daron R. Haddock, Permit Supervisor  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas & Mining  
P. O. Box 145801  
Salt Lake City, Utah 84114-5801

Dear Sir:

I am in receipt of your letter of September 8, 2006 in which you remind me that I have not provided a bond. In my letter to you dated August 23, 2006 I had requested a waiver of the requirement to have a bond because I have no intention of operating this mine. I have not received a response to this letter.

The mines name is Fraction Lode and the mine number is S450041. The legal description is NE 1/4, NW 1/4, NW 1/4, Section 26, Township T75, Range R18W.

I would appreciate your favorable consideration of the request for a waiver. If you need additional information please call me at (707) 482-0406 or I can be reached at work at (707) 482-1350. Extension 377.

Sincerely,



Doris J. Timm  
P. O. Box 305  
Klamath, CA 95548

Enclosures

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OCT 23 2006

DIV. OF OIL, GAS & MINING



## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

September 8, 2006

Subject: Reminder of Requirement to Post Reclamation Surety

Dear Mine Operator:

This is a follow-up reminder and clarification to our June 8, 2006 letter. If you have already received Division approval of the reclamation surety requirement at your mine site, please accept our thanks and you may disregard this letter. If however, you have not provided a reclamation surety/bond and/or reclamation contract, you should make arrangements for doing so immediately.

Remember, **December 8, 2006** is the deadline to complete this action. Mine sites that are not in the process of obtaining reclamation surety by that time, will no longer be allowed to operate, will be required to reclaim, and may receive an enforcement action which includes fines or penalties. (See R647-2-111, R647-3-111 & R647-4-113)

#### **What if you already have a surety posted with another agency?**

Even though you may have a reclamation surety with another agency, such as BLM, USFS or SITLA, you will still need to contact us to name the Division of Oil Gas & Mining as co-beneficiary and to ensure that your coverage is adequate. In addition, a reclamation contract will be required with the Division regardless of which agency is administering the surety.

#### **How do I determine the amount of surety that I need to post?**

The amount is determined by the detail of the Notice of Intent (NOI) and the disturbed area map. An accurate map showing the currently disturbed acreage and the acreage planned for disturbance is crucial for determining the amount of surety to post. Contact the Division to determine what reclamation costs are appropriate for your particular site.

#### **What types of surety/bond are acceptable to the Division?**

The Division accepts a variety of different surety types including, corporate surety bonds from a surety company licensed to do business in Utah, federally insured certificates of deposit, cash, irrevocable letters of credit, and escrow accounts. The form and the amount of the surety must be approved by the Division, so it is important that you work closely with us to make sure you have the appropriate surety in place.

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OCT 23 2006

DIV. OF OIL, GAS & MINING

Page 2  
September 8, 2006  
Reclamation Surety

**Whom do I contact if I need help with the surety/bonding requirements?**

If you have any questions, regarding these requirements, please contact your assigned Reclamation Specialist/Inspector (Paul Baker 538-5261, Lynn Kunzler 538-5310, Tom Munson 538-5321 or Doug Jensen 538-5382).

Once you have contacted the appropriate Inspector and have determined the required amount of surety, you will need to contact **Beth Ericksen (Bond Coordinator) at (801) 538-5318** to acquire the necessary surety paperwork and complete the process.

Information about bonding can also be found at the Division website located at [www.ogm.utah.gov/minerals/MINERALSFAQ.htm](http://www.ogm.utah.gov/minerals/MINERALSFAQ.htm). Thank you for your help in complying with the State reclamation surety requirements. We look forward to hearing from you. Please call me at (801) 538-5325 if you have any questions.

Sincerely,



Daron R. Haddock  
Permit Supervisor

cc: BLM  
UMA  
AGC

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